

# INDUSTRY UPDATE

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**Biweekly Period Ending July 15, 2000**

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## Phoenix Metro Area

### *Manufacturing*

**Planned cuts** by **Honeywell International** of **5 percent its workforce** could affect some of the company's 16,500 Valley employees. However, many of the cuts will be done through attrition and a hiring freeze, and the Phoenix-based aerospace unit is not likely to be affected much because it is one of Honeywell's most profitable businesses. Honeywell International was formed last December when Minneapolis-based Honeywell Inc. merged with AlliedSignal Inc. Both had around 8,000 Valley employees.

### *Transportation, Communications, and Public Utilities*

By September, Minneapolis-based **Eschelon Telecom Inc.** expects to **add about 30 sales associates** at its Phoenix-area office, which currently employs a staff of 10. And **within five years**, the provider of packages of telephone services (e.g., Internet, local, long distance) for small- and mid-size businesses expects it will **employ about 100 people locally**. Eschelon, which employs more than 600 people in seven western states, was formerly called Advanced Telecommunications Inc.

### *Construction*

**Seven building projects** encompassing between **40,000 and 50,000 square feet** are ongoing in or near **downtown Cave Creek**. And that's just the beginning of a commercial construction boom in the northern Maricopa County town that is expected to continue into the near future. The **first of two buildings** that will make up the 12,000-square-foot **Cave Creek Retail Center** has been completed; **land has been cleared** for **two office projects** in the 6000 block of Cave Creek Road; work is expected to be completed this fall on **three**

2,500-square-foot buildings that will house **glass blowing and glass blasting shops**; an 8,000-square-foot **Fandango restaurant** was expected to open in July; and a site plan has been completed for a 4,000-square-foot **retail center/warehouse** in the 6500 block of Cave Creek Road.

### *Services*

Following the closure of three Mesa clinics and the layoff of two-fifths of its 500 employees, **Casa Blanca Medical Group** has **shut down all but one of its facilities**. Only a Gilbert clinic — which includes about 60 physicians and staff — remains after an Apache Junction clinic closed earlier this month. Casa Blanca also is ending its management agreement with PhyCor Inc., and in its place has agreed to work with IPC-The Hospitalist Co. of North Hollywood, Calif.

### *Trade*

**Tri-City Pavilions**, a **36-acre shopping center** that is being built where the Tri-City Mall in Mesa once stood, is expected to **open this fall**. A **Safeway supermarket** and four mid-size stores will anchor the 160,000-square-foot retail center at Dobson Road and Main Street.

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## Tucson Metro Area

### *Manufacturing*

Tucson hopes plans by **Slim-Fast Foods** to **build** a \$100 million **manufacturing plant** will not only fatten the wallets of **150 new employees**, but also attract Slim-Fast suppliers to locate near the facility. Slim-Fast, which makes diet shakes and snack bars, expects to break ground on the plant by the end of the year, with **completion of the facility expected by July 2002**. The University of Arizona Science and Technology Park, near Interstate 10 and Rita Road, is the likely site for the plant.

### ***Finance, Insurance, and Real Estate***

Financial management firm **Davis Selected Advisors L.P.** is **moving** its **headquarters** from Santa Fe, N.M., **to Tucson**. Davis Selected, which already employs about 100 at offices in Tucson, could see its Old Pueblo workforce **increase by about 50** over next few years, the company said. Davis Selected has \$32 billion in assets.

### ***Trade***

**Best Buy Co.** is seeking **100 employees** for its **second Tucson store**, at 6015 E. Broadway, which will open this fall. The electronics and appliance retailer is taking applications over the phone at 1-888-639-5629.

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### **Balance of State**

### ***Construction***

The Flagstaff City Council unanimously approved a **1,400-home subdivision** on 650 acres south of town and east of Lone Tree Road. Expected to cater to second-home buyers, **Fairway Peaks** will include 125 "affordable" housing units and an 18-hole golf course. The developer, **Vanderbilt Farms**, did not announce when construction would start on the project.

Phoenix-based **Westcor Corp.** plans to **double the size** of **Flagstaff Mall** with the addition of a **500,000-square-foot outdoor village**, plus develop an adjacent light industrial park that could attract small high-tech manufacturers. The outdoor village will consist of about **30 stores**, including a 200,000-square-foot **Wal-Mart "super-center,"** and a **10-screen movie theater**. If approved by the city, work could begin on the 130-acre project next spring and open in spring of 2002. A city official **projected that 1,300 jobs** could be created from the combined retail and industrial development.

### ***Services***

**Yuma** and **Prescott** are reporting **severe shortages of nurses**. To help recruit employees, **Yavapai Regional Medical Center (YRMC)** and the **Yuma County Health Department** are **increasing salaries**, and YRMC has started offering

various incentives, such as sign-on bonuses, relocation expenses, and shift differentials. **YRMC** has 30 beds sitting empty in a new wing because it's **short 50 to 75 nurses**. Starting pay for RN's at YRMC was recently raised from \$15.17 to \$16.08 an hour. Yuma County also has increased its starting salary for public health nurses to \$31,748 and boosted the top salary by \$3,000 to \$47,622.

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### **Statewide**

### ***Finance, Insurance, and Real Estate***

**Wells Fargo Bank** plans to **open 16 stand-alone bank branches** throughout the state over the next 12 months, creating about 150 new jobs. The company expects to spend \$40 million in land acquisition and construction costs.

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## ***INDUSTRY UPDATE***

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